

SENATE BILL 843

Q4

0lr1934
CF HB 1023

By: **Senators Peters, King, and Miller**

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 2, 2020

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax – Licensed ~~Statewide~~ Caterers – Exemption**

3 FOR the purpose of providing an exemption from the sales and use tax for the sale of certain
4 materials, equipment, and supplies to a certain licensed ~~statewide~~ caterer if, under
5 certain circumstances, the materials, equipment, and supplies will be used by the
6 caterer to perform a catering contract; ~~requiring the holder of the statewide caterer's~~
7 ~~license to apply to the Comptroller for an exemption certificate in order to qualify for~~
8 ~~the exemption under this Act;~~ defining a certain term; and generally relating to a
9 sales and use tax exemption for the sale of catering materials, equipment, and
10 supplies.

11 BY adding to
12 Article – Tax – General
13 Section 11–236
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2019 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Tax – General**

19 **11–236.**

20 **(A) IN THIS SECTION:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **(1) “LICENSED CATERER” MEANS THE HOLDER OF A FOOD SERVICE**
2 **FACILITY LICENSE ISSUED BY A COUNTY THAT OFFERS CATERING SERVICES IN**
3 **CONNECTION WITH A SPECIFIC EVENT; AND**

4 **(2) “LICENSED CATERER” DOES NOT INCLUDE A FOOD SERVICE**
5 **FACILITY THAT IS PRIMARILY ENGAGED IN THE PREPARATION AND SERVICE OF**
6 **FOOD TO THE GENERAL PUBLIC AT THE FACILITY.**

7 **(A) (B) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF**
8 **MATERIALS, EQUIPMENT, OR SUPPLIES TO A LICENSED STATEWIDE CATERER IF THE**
9 **MATERIALS, EQUIPMENT, OR SUPPLIES ARE:**

10 **(1) TO BE USED BY THE CATERER TO PERFORM A CONTRACT FOR**
11 **OFF-SITE CATERING SERVICES; AND**

12 **(2) (I) INTENDED FOR RESALE BY THE CATERER ~~IN A TAXABLE~~**
13 **SALE; OR AND**

14 **(II) TO BE USED DIRECTLY OR PREDOMINANTLY BY THE**
15 **CATERER IN ~~THE SALE~~ PERFORMING A CATERING CONTRACT THAT INCLUDES THE**
16 **PROVISION OF FOOD AND BEVERAGES.**

17 **~~(B) TO QUALIFY AS A LICENSED STATEWIDE CATERER TO WHOM A SALE IS~~**
18 **~~EXEMPT UNDER THIS SECTION, THE HOLDER OF THE STATEWIDE CATERER’S~~**
19 **~~LICENSE SHALL APPLY TO THE COMPTROLLER FOR AN EXEMPTION CERTIFICATE.~~**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.